

## **Form CRS – Customer Relationship Summary**

### **Item 1 Introduction**

Herrmann & Cooke Wealth Management is registered with the Securities and Exchange Commission as an Investment Adviser, and we provide investment advisory services rather than brokerage services.

Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. The SEC offers free and simple tools to research firms and financial professionals at <https://www.investor.gov/home/welcome-investor-gov-crs>, which also provides information tailored to educate retail investors about financial professionals.

### **Item 2 Relationships and Services**

#### **What investment services and advice can you provide me?**

Our firm offers the following principal investment advisory services to retail investors on a discretionary basis.

- **H&C Managed Account Services**—monitored continuously as part of our standard service.
  - Investing on a discretionary basis means our firm will buy and sell investments in your accounts without requiring your pre-approval on an ongoing basis until you notify us in writing to switch.
  - You and Herrmann & Cooke will agree on an appropriate model portfolio, and the investment parameters used to manage your account will be documented in an Investment Policy Statement created specifically for you. Herrmann & Cooke has discretion to make changes to the model, but your portfolio will maintain a similar risk/return profile to the model initially agreed upon.
  - We purchase primarily no-load mutual funds, exchange-traded funds, interval funds, and variable annuities.
- **Relationship Management for wrap fee services provided by Edelman Managed Asset Program® (EMAP)**—Our firm does not monitor your accounts. Accounts are monitored continuously by Edelman Financial Engines, LLC (EFE).
  - Investing on a discretionary basis means EFE will buy and sell investments in your accounts without requiring your pre-approval on an ongoing basis until you notify us in writing to switch.
  - For additional information, please visit <https://www.edelmanfinancialengines.com/media/pdf/financial-engines-adv>.

Our firm offers non-discretionary services listed below, which means that you make the ultimate decision regarding the purchase or sale of investments.

- **H&C Outside Account Services**—we make investment recommendations but do not monitor your accounts. We re-evaluate our recommendations and provide them to you on an annual basis.
  - We recommend primarily no-load mutual funds, exchange-traded funds, or assets allowed by your employer's retirement plan platform.

Our firm does not require a minimum account size. Instead, we charge a minimum annual fee of \$2,500 for H&C Managed and H&C Outside Account Services. EMAP® has a minimum household account size of \$5,000.

Our firm offers the following principal planning services to retail investors. If you are utilizing H&C Managed Account Services, H&C Outside Account Services or EMAP®, planning is part of our standard service. We also offer planning services on a stand-alone basis.

- **Financial Planning**
- **Retirement Planning**
- **Tax Planning**
- **Estate planning**

For additional information, please see for our Form ADV Part 2A, Items 4 and 7, which can be found at <https://www.adviserinfo.sec.gov/firm/summary/110722>.

#### **Conversation starters. Ask your financial professional:**

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

### **Item 3 Fees, Costs, Conflicts and Standard of Conduct**

#### **What fees will I pay?**

Our fees are disclosed in our Form ADV Part 1A, Item 5.E. and more fully described in our Form ADV Part 2A, Item 5. Some fees create a conflict of interest described below and in more detail in our Firm's Part 2A.

- Our principal method of assessing fees for investment and planning services is based on the market value of the assets we manage on your behalf. We collect these fees quarterly after the close of each calendar quarter. If our firm charges you asset-

based fees, more assets in the account will cause you to pay more in fees and therefore we may have an incentive to encourage you to increase the amount of money invested in those accounts.

- Alternatively, we can assess hourly or fixed fees. If our firm charges hourly fees, we have an incentive to recommend specific courses of action through the firm's services that may lead to representatives and/or the firm receiving additional compensation.
- If you utilize wrap fee services provided by Edelman Managed Asset Program® (EMAP), asset-based fees will be assessed by Edelman Financial Engines. H&C has a revenue share arrangement with EFA and receives 60% of the fees collected for EMAP® accounts we manage. As noted above, asset-based fees can create an incentive to encourage you to increase the amount of money invested in those accounts. Wrap fee accounts will include most transaction costs and custodial fees and are therefore higher than a typical asset-based advisory fee.

There are other fees and costs related to our investment advisory services and investments in addition to the principal fees and costs listed above that you will pay directly or indirectly. Examples of the most common fees and costs are:

- Transaction fees when we buy and sell for your accounts - charged by the custodian that holds your assets.
- Operating expenses for mutual funds, exchange-traded funds and interval funds held in your accounts – charged by the fund companies.
- For variable annuities, fees including account fee, underlying investment fee, insurance costs, and fees for additional riders – charged by the variable annuity companies.

#### **Additional Information:**

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

For more detailed information about our fees and costs please review our Form ADV, Part 2A brochure (Item 5), which can be found at <https://www.adviserinfo.sec.gov/firm/summary/110722>.

#### **Conversation starters. Ask your financial professional:**

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

#### **What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are examples to help you understand what this means. As an example, some management personnel at H&C are licensed as insurance agents or brokers and may recommend insurance products for which they will be paid a commission.

#### **Conversation starters. Ask your financial professional:**

- *How might your conflicts of interest affect me, and how will you address them?*

#### **How do your financial professionals make money?**

- Our financial professionals are employees of the firm and are paid a base salary. They also receive bonuses at the discretion of the firm's executive team based upon the success of the firm and specifically upon the contributions of the employee.

#### **Item 4 Disciplinary History**

##### **Do you or your financial professionals have legal or disciplinary history?**

- No. Visit <https://www.investor.gov/home/welcome-investor-gov-crs> for a free and simple search tool to research our firm and our financial professionals.

#### **Conversation Starters. Ask your financial professional:**

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

#### **Item 5 Additional Information**

You can find additional information about our services and request the most recent copy of our relationship summary by visiting [www.herrmanncooke.com](http://www.herrmanncooke.com), e-mailing [hcteam@herrmanncooke.com](mailto:hcteam@herrmanncooke.com) or calling us at (925) 831-0200.

#### **Conversation starters. Ask your financial professional:**

- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*